

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 25 - HB 51

January 28, 2011

SUMMARY OF BILL: Requires any consolidation of school systems between a special school district and a county school district, resulting in an increased enrollment in the county local education agency (LEA) of 100 percent or more, to follow the plan established for consolidation codified in Tenn. Code Ann. §§ 49-2-1201 through 49-2-1208. This plan calls for a consolidation planning committee, a written report, specification of alternatives regarding a consolidated school board and director, requirements for public hearings, approval or rejection by governing bodies, and a public referendum upon approval. The plan also authorizes a referendum by petition in cases of rejection by the last governing body empowered to act on the plan.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures - \$1,000,000/One-Time/Permissive

Assumptions:

- A permissive consolidation of the Shelby County LEA and the Memphis City LEA resulting in an increase to student enrollment greater than 100 percent for the Shelby County LEA.
- According to the Shelby County Administrator of Elections, the City of Memphis has budgeted one-time funding of \$1,000,000 for costs related to the referendum. A recent referendum had a cost of \$880,000.
- Written plans for consolidation have previously been prepared. The consolidated planning committee therefore will not incur any significant costs.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

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